

**POWERCO
GAS DISTRIBUTION
PRICING
SCHEDULE**

1 OCTOBER 2019

Why have prices changed?

Powerco is regulated under the Commerce Commission Gas Distribution Services Default Price-Quality Path Determination 2017 ("the DPP"). This permits Powerco's revenue to reflect

- movements in the Consumer Price Index (CPI) each year
- Commerce Commission levies and local body rates applying to network assets, as these costs are outside Powerco's control.

The final prices contained in the pricing schedule reflect an average annual increase in charges, in nominal terms of 1.11%. This increase reflects 1.69% for CPI and the adjustment for levies and local body rates permitted by the DPP. More information about the DPP can be found here:

<https://comcom.govt.nz/regulated-industries/gas-pipelines/gas-pipelines-price-quality-paths/>

The prices applied to the tariff groups on our distribution network are set in accordance with our published pricing methodology. For the pricing year commencing 1 October 2019, we prioritised pricing stability and consistency for the different tariff groups across our regional networks. Some adjustments have been made to remove pricing anomalies. The attached pricing schedule shows the prices for each tariff group effective from 1 October 2019.

Our pricing methodology document can be found on our website at the following location and a copy may also be requested from Powerco's head office:

<http://www.powerco.co.nz/Publications-and-Disclosures/Pricing-Schedules/Gas/>

Powerco is responsible for the natural gas network in the Taranaki, Hawkes Bay, Manawatu, Horowhenua and Wellington regions.

Last year, Powerco constructed about 70km of pipeline to enable more New Zealanders to connect to the gas network. The company also connected more than 2,200 customers to the network for free and spent between \$4 million and \$5 million maintaining a safe and reliable gas supply for consumers.

Disclosure of Powerco's new gas distribution charges, effective 1 October 2019

Powerco is regulated under the Commerce Act 1986. Under the regulated price-quality path determined by the Commerce Commission, the weighted average of Powerco's gas pipeline prices, net of pass-through and recoverable costs, can not increase by more than the change in the Consumer Price Index each year.

From 1 October 2019 the regulated price increase is 1.69%.

Powerco is required to disclose the charges that make up the distribution part of a natural gas invoice under clause 2.4.19 of the Gas Distribution Information Disclosure Determination 2012. However, Powerco is not required to publicly disclose distribution charges if the estimated number of consumers that will be subject to the charge is fewer than five.

Other gas network charges or conditions may apply. This schedule should be read in conjunction with the full Powerco pricing schedule available on its website. All charges exclude GST (Goods and Services Tax).

Schedule of end-consumer load group charges (excluding GST)

Hawkes Bay

Load Group	Distribution charges effective 1 October 2019			Estimated number of consumers	Previous charges	
	Fixed (\$/day)	Variable (\$/GJ)	Variable (c/kWh)		Fixed (\$/day)	Variable (\$/GJ)
G06	\$0.0000	\$18.5653	\$0.07	1,015	\$0.0000	\$18.2566
G11	\$0.5942	\$4.4525	\$0.02	3,824	\$0.5843	\$4.3785
G12	\$1.5465	\$3.8181	\$0.01	181	\$1.5208	\$3.7546
G14	\$4.1774	\$3.3452	\$0.01	86	\$4.1080	\$3.2896
G16	\$5.5459	\$3.1597	\$0.01	61	\$5.4537	\$3.1072
G18	\$9.6543	\$3.2006	\$0.01	7	\$9.4938	\$3.2105

Manawatu and Horowhenua

Load Group	Distribution charges effective 1 October 2019			Estimated number of consumers	Previous charges	
	Fixed (\$/day)	Variable (\$/GJ)	Variable (c/kWh)		Fixed (\$/day)	Variable (\$/GJ)
G06	\$0.0000	\$18.5653	\$0.07	5,212	\$0.0000	\$18.2566
G11	\$0.5942	\$4.4525	\$0.02	14,732	\$0.5843	\$4.3785
G12	\$1.5465	\$3.8181	\$0.01	327	\$1.5208	\$3.7546
G14	\$4.1774	\$3.3452	\$0.01	89	\$4.1080	\$3.2896
G16	\$5.5459	\$3.1597	\$0.01	68	\$5.4537	\$3.1072
G18	\$9.6543	\$3.2006	\$0.01	13	\$9.4938	\$3.2105

Wellington

Load Group	Distribution charges effective 1 October 2019			Estimated number of consumers	Previous charges	
	Fixed (\$/day)	Variable (\$/GJ)	Variable (c/kWh)		Fixed (\$/day)	Variable (\$/GJ)
G06	\$0.0000	\$20.30494	\$0.07	7,440	\$0.0000	\$19.9717
G11	\$0.6016	\$5.1252	\$0.02	23,494	\$0.5916	\$5.1670
G12	\$1.0208	\$5.4972	\$0.02	491	\$0.9568	\$5.6272
G14	\$5.9628	\$5.5208	\$0.02	132	\$5.8637	\$5.6513
G16	\$9.2034	\$4.7748	\$0.02	72	\$9.0504	\$4.6954
G18	\$14.1439	\$4.6285	\$0.02	8	\$13.9088	\$4.5516

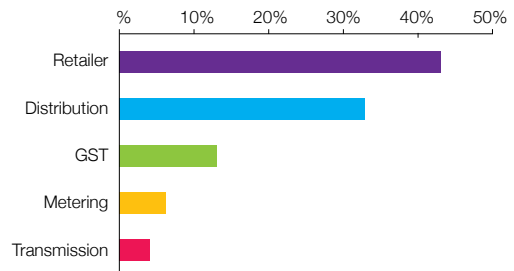
Hutt Valley and Porirua

Load Group	Distribution charges effective 1 October 2019			Estimated number of consumers	Previous charges	
	Fixed (\$/day)	Variable (\$/GJ)	Variable (c/kWh)		Fixed (\$/day)	Variable (\$/GJ)
G06	\$0.0000	\$20.30494	\$0.07	6,314	\$0.0000	\$19.9717
G11	\$0.6016	\$5.1252	\$0.02	23,687	\$0.5916	\$5.1670
G12	\$1.0208	\$5.4972	\$0.02	611	\$0.9568	\$5.6272
G14	\$5.9628	\$5.5208	\$0.02	139	\$5.8637	\$5.6514
G16	\$9.2034	\$4.7748	\$0.02	49	\$9.0504	\$4.6954
G18	\$14.1439	\$4.6285	\$0.02	11	\$13.9088	\$4.5516

Taranaki

Load Group	Distribution charges effective 1 October 2019			Estimated number of consumers	Previous charges	
	Fixed (\$/day)	Variable (\$/GJ)	Variable (c/kWh)		Fixed (\$/day)	Variable (\$/GJ)
G06	\$0.0000	\$18.5653	\$0.07	5,656	\$0.0000	\$18.2566
G11	\$0.5942	\$4.4525	\$0.02	13,249	\$0.5843	\$4.3785
G12	\$1.5465	\$3.8181	\$0.01	211	\$1.5208	\$3.7546
G14	\$4.1774	\$2.1302	\$0.01	111	\$4.1080	\$1.9966
G16	\$5.5459	\$2.0763	\$0.01	35	\$5.4537	\$1.9461
G18	\$9.6543	\$1.8893	\$0.01	14	\$9.4938	\$1.7708

Average Residential Household Gas Energy Bill



From The New Zealand Gas Story – Sixth Edition (Gas Industry Company, December 2017)

For an average New Zealand residential household, gas distribution prices represent approximately 30% of the final gas energy bill.

Typical characteristics of different load group customers

Residential / small commercial

G06	Less than or equal to 10 scm/hr and annual gas usage of less than 15GJ in the Central North Island and 14GJ in Greater Wellington*	Low-volume residential customers
G11	Less than or equal to 10 scm/hr and annual gas usage greater than or equal to 15GJ in the Central North Island and 14GJ in the Greater Wellington region*	Standard residential customers Small commercial customers such as small cafes, fish and chip shops, pizza shops

Commercial

G12	Greater than 10 scm/hr and less than or equal to 25 scm/hr	Restaurants, small apartments, office buildings, small to mid-sized motels
G14	Greater than 25 scm/hr and less than or equal to 60 scm/hr	Hotels, large motels, shopping complexes, swimming pools
G16	Greater than 60 scm/hr and less than or equal to 140 scm/hr	Large office buildings, apartment blocks, commercial kitchens
G18	Greater than 140 scm/hr and less than or equal to 200 scm/hr	Commercial laundries, dry cleaners

*Consumers meeting the criteria can choose to belong to either the G06 or G11 load group.
Scm/hr = standard cubic metres per hour (gas flow rate) GJ = gigajoules (measure of gas)

